

## PROPOSAL FOR A REVISION OF THE ENERGY TAXATION DIRECTIVE

### CEMBUREAU POSITION

Brussels, 18.01.2022 - CEMBUREAU, the European Cement Association, submits the following comments into the “*Proposal for a Council Directive restructuring the Union Framework for the taxation of energy products and electricity*” (ETD), published on 14 July 2021 as part of the Fit for 55 Package.

The fuel as an energy source in the cement manufacturing process serves to heat the cement kiln but has, at the same time, a mineral transformation function. These mineralogical transformation processes are characterised by a very intensive use of energy and heat which cannot be reduced because of the need to continuously maintain the temperature at a high level.

The policy rules on energy taxation and energy efficiency need to acknowledge this double function of energy use either by:

1. adding, in Article 3, the non-application of the Directive to mineralogical processes in line with the similar provision in Article 2(4) of the existing Energy Taxation Directive 2003/96/EC. Indeed, the proposed ETD revision does not provide any reason for eliminating the non-application of the Directive to mineralogical processes.

***Suggested amendment:***

*Article 3 (b)*

**NEW – Mineralogical processes**

**“Mineralogical processes” shall mean the processes classified in the NACE nomenclature under code 23 “manufacture of other non-metallic mineral products” in Regulation (EC) No 1893/2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.**

or, by

2. recognizing the dual use of energy in cement manufacturing; it is beyond any doubt that energy products in cement manufacturing are used “*both as a heating fuel and for purposes other than a heating and motor fuel*” and therefore qualify under the first indent of Article 3(1)(b), second indent, of the proposed revision of the ETD;

The second phrase of that same indent seems to narrow the dual use applications to the chemical and metallurgical processes but does not give any justification on why similar forms of dual use would be excluded. Therefore, the legislator may have overlooked these further dual uses. A minor adaptation of the text would also include the dual use of energy products in cement manufacturing:

***Suggested amendment:***

*Article 3(1)(B), second indent, last sentence:*

*(...) The use of energy products for chemical **reaction** ~~reduction~~ **and or** in electrolytic and metallurgical \*processes, when energy products are used directly in or to provide a direct energy input to the process, or their consumption is connected to the process, shall be regarded as dual use;*

This wording allows for an equal treatment between manufacturing processes that use energy both for heating purposes as for purposes other than heating or motor fuel such as chemical reduction, metallurgical or mineralogical processes.

CEMBUREAU is looking forward to a continued interaction on the topics set out above with all relevant stakeholders in the debate.

***The European cement industry fully supports the objectives of the European Green Deal. Already in May 2020, CEMBUREAU published its [Carbon Neutrality Roadmap](#) setting out its ambition to reach net zero GHG emissions along the cement and concrete value chain by 2050. Furthermore, cement is a key enabler to a carbon neutral society through its end-product, concrete, which is a key component for renewable energy and public transport assets, and the material of choice for sustainable buildings and infrastructures of tomorrow.***

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